

HUDSON'S BAY COMPANY.

REPORT of the proceedings at a General Court of the Governor and Company of Adventurers of England trading into Hudson's Bay, held at the City Terminus Hotel, Cannon Street, London, E.C., on Tuesday, 4th July, 1899. LORD STRATHCONA and MOUNT ROYAL, G.C.M.G. (the Governor), presiding.

The CHAIRMAN : I will now ask the Secretary to read the notice convening the meeting.

The SECRETARY (Mr. W. Ware) read the notice.

The GOVERNOR : Ladies and Gentlemen, you have had the Report before you for upwards of a fortnight, and I presume I may take it as granted that you will regard it as read? (Hear, hear.) We will now glance lightly if you please at some of the figures therein. You will see that the profits for the year are £125,595 9s. 11d., as compared with £69,373 7s. 9d. last year. Adding to this the amount brought forward from last year of £26,372 19s. 10d., there is a total sum of £151,968 9s. 9d., out of which the Governor and Committee recommend a dividend of 13s. per share and a bonus of 7s. per share, £1 per share in all, free of income tax, absorbing £100,000. They further recommend that a sum of £10,000 be set aside out of the amount brought into account to form the nucleus for a Provident Fund for the *employés*. This would leave a balance of £41,968 9s. 9d. to be carried forward to next year. The Accounts which are presented with the Report are of a clear and simple character, and need little or no explanation, and you will see that the result of the

present year arises from a combination of favourable circumstances. There has been a very considerable rise in the price of furs at the sales of this year. Secondly, there are the increased profits on the general business of the Company, arising partly from the recent gold discoveries, and partly from the improved conditions of trade throughout the whole of Canada. Further, there are larger receipts from the sales of land, due to the increasing prosperity of the farming industry in Manitoba and the North-West Territories. These sales, as you have been informed in former years, have been in a great measure lands sold to farmers who had been prosperous in their industry—another indication of the prosperity of the country—and who are anxious to secure the land alongside of their present holdings for themselves and their families.

The furs brought to market this year were much smaller in quantity than in 1898, the deficiency being most marked in the important articles of Beaver, Marten and Mink. This, however, was compensated for as you have just heard by the increased prices received for the furs; the total amount realised for the Company's importations in 1899 being £277,206 7s. 0d., as compared with £251,781 1s. 7d. in 1898, showing an increase of £25,425 5s. 5d. As regards the prospects of this portion of the Company's business for the current year, it should be stated that the increase of settlement, and the opening up of the country in the far north-west tend to contract the field of operations, and it seems probable that the quantities of furs to be sold by the Company in January and March next will be smaller than in the present year. At the same time, it should be mentioned that the intelligence received as regards the furs which are expected to come to hand this season is only partial, no news having yet been received from many of the districts. It is satisfactory, however, to state that as far as can be seen at present, the prospects of obtaining good prices for the furs which will be sold next year are favourable.

The proprietors will have been prepared from the Report of the Governor and Committee for 1898, and by what was stated at the meeting of Shareholders last year, to learn that the general business

of the Company shows improved results over those of the former year. Due advantage was taken of the increased scope for business brought about by the gold discoveries in Yukon, and also the mining industries in British Columbia, and not only in British Columbia, but in Western Ontario, which formerly was a part of the Hudson's Bay Territories. We hear generally of gold and silver mining in the Yukon and British Columbia, but gold-mining is carried on also most profitably in the eastern provinces of Canada, in Nova Scotia especially, and has been so for several years. This shows that Canada really contains precious metals throughout its extent. This new business, consisting for the most part of the outfitting of miners, prospectors and others, in connection with the gold mines, was strongly competed for, but it is a matter for congratulation that the Company was able to secure a large share of the business offering, without embarking in hazardous and speculative trade, and that the transport in connection with their operations was conducted with success. The steamers, "Caledonia" and "Strathcona," have again been put in commission on the Skeena and Stikine Rivers, but equally good results can hardly be expected from them this year, as the railway which was proposed to be built from Telegraph Creek, on the Stikine River up to Teslin Lake and to the further west parts of the Yukon, has not been proceeded with. For the moment nothing is being done, although it is probable that it may ultimately be carried through. Still we hope that a reasonable profit will be made out of these boats.

As would naturally be expected from the very largely augmented sales of goods at the various stores of the Company during the year under review, a considerable increase in the inventory of goods on hand and in balances due by customers is shown at the end of the outfit, but the Governor and Committee learn that there has been a diminution in both these items since the last accounts were closed, and the utmost care is taken to ensure that the regulations as to the valuation of both goods and debts shall be strictly observed. That is a most important thing, of course, in making up the accounts of the Company.

We now come to the Lands. The Land Department exhibits continued improvement. The profit for the year ending 31st March, 1898, was more than twice as large as that of the year before, and it will be observed that for the year just closed the amount brought to the credit of profit and loss—£20,309 18s. 8d.—shows a like improvement over the previous year, when the gain was £9,499 19s. 1d. Farm land sales are 61,546 acres, for \$300,555, compared with 37,923 acres, for \$183,890 in 1897-8, and the average price per acre is a little better, being \$4.88 against \$4.85 per acre last year. The sales of farm lands have not been confined to Manitoba alone; lands in the Territories are coming into demand and a good number of sales have been made. These lands do not, of course, bring us so large a price as farm lands in Manitoba, the rate being about \$3 per acre, and so tending to diminish the total average rate; but it is satisfactory to find that a demand has arisen for some of the Company's sections of land in the more distant districts. This demand will go on increasing as railways are extended throughout the country. (Applause.) You will see that, while the average price per acre was only three cents more than last year, it represents a still better price for the same description of land than was realised in former years. Sales of town lots also show a large increase, being \$26,330, against \$9,174 in the previous year, some good sales at Winnipeg having helped to make up this amount.

A further number of lots will probably be set out for disposal this year in the Company's town sites of Edmonton and Millwood. The Company have recently received from the Government of Canada patents for an additional 8,000 acres of land making the farm lands allotted to them up to 31st March last, 3,757,511 acres. The total sales of farm lands to same date, excluding sales cancelled (the land reverting to the Company) amount to 368,631 acres, for which we have received \$2,005,011. This, of course, is irrespective of the money received for the town sites in Winnipeg and elsewhere. The advices for the months of April, May and June of the present year are satisfactory. I have here a telegram, just received, with regard to the last month, stating

that the land sales for June, 1899, amount to \$60,500 and the receipts to \$26,300. As you are aware, one-eighth only of the purchase-money is paid down at the date of sale in respect of Farm lands. This is compared with sales representing \$50,500 and receipts \$19,900 last year, which is very satisfactory, and is an indication I should say, of what we may look for in the future. (Applause.) It could hardly be otherwise than that the value of farm lands as well as town lots should increase. Winnipeg at the present moment is a city of something over 50,000 inhabitants. Twenty or twenty-five years ago it numbered perhaps a couple of thousand, and if you go back 30 years it was hardly 200. It is not only that there is that large number of people, but it is just as well built, and as well regulated a town as you will find in any portion of the Dominion, and I believe would compare very favourably indeed with any city or town of the same size even in the United Kingdom. (Applause.) The population is increasing, and it is the policy of the Government to introduce settlers of a good class, as well from the mother country as from the continent of Europe, and I should say with regard to the latter that it is found that the Galicians and Doukhabors—of whom several thousands have gone out within the last two or three years—have proved to be very desirable settlers. They are assimilating with the people of the country, and are becoming in speech and habits entirely English. Their people are going throughout the country, and the young women happily, and that is very important, are taking service, and thus supplying to some extent the great want of domestic servants in the North-West. Their children will grow up I have no doubt to be Englishmen and Canadians, and just as loyal as any other part of the population. With the fast Atlantic service which has been spoken of now for nine or ten years, and which I hope we are within measurable distance of seeing, I trust within the next two years we shall have a service to Canada which will compete with that to New York. Then there is the communication by cable with Australasia, and with the East, and what is certainly of some importance, not only in a sentimental point of view, but also in a material one, a preferential tariff given

by Canada to the Mother-country. Altogether Canada is prosperous and likely to continue so, and we have every reason to believe that the Hudson's Bay Company will have their full share in the general prosperity.

I now come to the recommendation of the Board to set aside a sum of £10,000 as a Provident Fund for the benefit of the officials of the Company. You are aware that there are such funds in almost all great corporations. You will find them throughout America, in Canada and in short I believe in most countries. The Company has a large number of *employés*, 28 in this country, and in Canada upwards of 600, altogether from 630 to 650 or probably 700. These are the permanent officials, besides a large number temporarily employed, and I am sure it would be your desire, equally as it is that of the Board, that every consideration should be shown for those who have so long given valuable service to the Company. (Applause). This matter has been before the Directors for several years, and they have looked upon it as being most desirable that such provision should be made. We consider that while it would be a great boon to the *employés*, it would also contribute to the best interests of the shareholders. Year after year there is increasing competition. The country is being opened up, and there are many inducements to your officials to leave the service of the Company and to go into mining and other speculations, but we are glad to be able to say to you that while these temptations have been before them, especially with regard to the Klondyke and Yukon districts generally, hardly one of your *employés* has left the service to take part in them. I think that shows their attachment to the Company, and their determination to continue to do their duty faithfully and well. If they can look forward to some provision after their term of service, it will unquestionably be an encouragement to them to remain steadily at their posts, and we commend to your best consideration—the putting aside for the present of £10,000 as the nucleus of a Provident Fund. We do not speak to-day of the details of how it will be managed; but we desire to have your sanction to invest it for that particular purpose, and I have no

doubt that the Directors whom you will be pleased to elect in the future, will communicate with you in regard to everything that they propose concerning it.

I have now to move the adoption of the Report, which will be seconded by the Earl of Lichfield the Deputy-Governor, and I shall after that submit the resolution with regard to the Provident Fund. (Applause).

The EARL OF LICHFIELD (Deputy-Governor): Ladies and Gentlemen, I have great pleasure in seconding the adoption of the Report.

The GOVERNOR: I shall be happy, to the best of my ability to reply to any questions which may be put.

Mr. HENRY CLARKE: My Lords, Ladies, and Gentlemen, I beg leave to offer a few remarks in reference to the very excellent Report which has been presented to us to-day. I am sure we all thank our Governor very much for the interesting and instructive address which he has presented to us. With reference to the very last matter which he spoke of, namely, the Pension Fund, one would like as an old shareholder to say that nothing I think ought to commend itself more to the approval of the shareholders than looking after the interest of the many *employés* that we have in those distant regions, where we have to depend upon their honesty and their conscientiousness under most trying circumstances. (Applause.) I think therefore this suggestion just made by the Directors, is a very valuable one, and that not only will it encourage our *employés*, but it will prove to the pecuniary interest of the Company. I think, also, it is a very happy period for making this proposition, when we have a greater prosperity than any of us has seen in connection with this Company for many years. There is another paragraph in the Report on which I beg leave to make a remark, and that is as to the division of profits, and leaving £42,000 undivided. I beg to offer my congratulations to the Directors upon their prudence in doing this. It must be a great temptation to a Board of Directors to increase the dividend or the bonus at the expense of safety and prudence. Now in a Company such as ours, which depends very much upon variable

seasons, I think it is a great advantage that we should put by as it were a little of the fat for the lean years, and I say this notwithstanding the Governor has told us that the prospects of the fur trade and also the prospects of the land sales are very satisfactory. I think that the policy pursued by this Board in this respect, instead of the policy which used to be adopted in the old times of dividing up to the hilt almost and then sometimes going without any dividend at all, is one which will commend itself to the shareholders of this Company, because it is not a speculative company, the shareholders I believe consisting principally of those who invest their money in it and like to draw their dividends yearly. The Report says, and the Governor repeated very modestly the fact that the prosperity that we now are enjoying arises partly from the rise in the price of furs, partly from increased profits on the general business, and partly from land sales; but, ladies and gentlemen, we cannot disguise from ourselves that it arises as well as from these causes, from the change we have made in the Board of Directors during the last ten years. (Applause.) We have at the head of this Company one of the most astute and one of the most experienced men that we could find in the whole world. We have as Deputy-Governor—and I trust I am not impertinent in making these remarks—a nobleman who brings to bear upon our affairs business qualifications which peers of the realm are not generally troubled with, and we have a Board of Directors which compares most favourably with the Board we used to have. And perhaps it is not altogether wrong to attribute some of the prosperity to those shareholders who had to fight the old Board and bring about, so far as shareholders could, the altered state of things which results from the present Board and their care for our interests. I, therefore, congratulate the shareholders upon this Report. (Applause.)

Mr. LOMAS: I congratulate the Governor of the Company on the improvement in the trade of the departments of the Company during the past year. At the same time, I would beg to call to the mind of Shareholders that some years ago ample provision was made for the *employés*. They were treated most liberally,

although at that time we were receiving diminished dividends. Now the improvement in the trade enables the Governor to recommend the increased dividend, whereas for many years we have had a small one, but what seems to me most extraordinary is that your action towards the *employés* will have a tendency to destroy thrift. What is the necessity for thrift if you are going to have a kind of parental control to look after your *employés*. You give us the increased dividend, and then you recommend that £10,000 be paid from the profits of the past year, which might prove after all to be quite an exceptional year. The *employés* are very liberally paid, and they should provide for their old age the same as other individuals would. The tendency now-a-days is to go from one extreme to the other, and what with old age pensions and other things, the people will have no use for saving. I say it is unreasonable, and I should like to ask one question, and possibly it can be answered, and that is what interest are you allowing for the *employés'* deposits?

The GOVERNOR : Four per cent.

Mr. LOMAS : That is a very liberal allowance, is it not? I can only get $2\frac{1}{2}$ per cent.

The GOVERNOR : Perhaps with regard to that I may say they have never received more than 4 per cent, when 5 or even 6 per cent was readily obtainable. The Company keep the monies for them for the purpose of inducing them to make provision for themselves. (Hear, hear.)

Mr. LOMAS : I am not alone in objecting to this. I am one of those who look at things in a business way, and strongly object as I have said, and am not alone in this objection—for people think it is not unreasonable that the *employés* should provide for their old age like other people, after being liberally treated.

Mr. BAKER : Mr. Chairman, Ladies and Gentlemen : The last speaker has rather challenged other proprietors to stand up in this hall and to speak for themselves with regard to whether they agree with you and your colleagues, or whether they agree with him. As far as I am concerned, I rise as an independent

shareholder, and must say that I heartily congratulate you and your colleagues on the magnificent report you have presented to us this day. I have been interested in this Company for nearly 25 years, and I should think that to-day we have the Report of Reports. We have never been in such a fine position for many years, and that position I claim is due to you with your boundless experience of Canadian affairs, and to the very able and worthy colleagues who surround you, and help you with their advice. We are deeply indebted to you, and I am sorry to see any proprietor get up in this room saying when we are doing so well, that we should not make some compensation to the people who thousands of miles away from this place are doing our work and doing that work most thoroughly and well, and I believe to your satisfaction. (Applause.) I therefore compliment you most sincerely on the Report you have presented. I congratulate you and look upon the future of this Company now as being endless and boundless. You have given us a forecast of this in days gone by, and have from this chair given us accounts of the prosperity of Canada, and I am sure all your shareholders will heartily and gratefully thank you and your colleagues for what you have done. (Applause.)

Mr. LYALL: I would like to ask a question, and that is the extent of the land we hold in Canada—the land and town lots. Also what their value may be. I see in the Balance Sheet there is an item £400,000 odd, balance represented by the remaining property of the Company. In the profit and loss account there is an item of buildings and other property, £122,534, which makes over £500,000. I should be glad to know what is the value of our land, for on the land the position of the Company depends a great deal.

Major BIGG: I should like to know why we were not informed at Christmas of the amount of land that was sold? It will be remembered that formerly we used to have a meeting in December, and the Shareholders agreed to give up that meeting provided a sort of interim report was published giving the amount of land which had been sold up to that time. But this year we

were not told anything about it. Now I think it is very desirable that the Shareholders should be kept informed of what is going on just in the same way as other land companies. I think the Canadian Pacific and the Canada North-West Land Company publish their accounts monthly, and we should have a statement every six months, as in fact has been done up to the present time.

Mr. W. J. CLARKE : I would ask, arising from the question of this gentleman on my left, if any estimate can be given of what quantity of land will be allotted to us by the Canadian Government in the future ? I only want a rough estimate.

The GOVERNOR : Replying to the questions and what we have heard from Mr. Clarke, Mr. Baker, Mr. Lomas and the other honourable proprietors, I may say that we feel that it is to us a very great encouragement indeed to find that what we have endeavoured to do for the Company meets with the approbation of the shareholders, as has been shown to-day. (Hear, hear.) I can assure you that your Directors have done everything they could in the interests of the proprietors. It is not a question simply of pay on the part of the Board, or receiving a certain amount of money as a fee : with each and all of them it has become really a matter of love and a desire to do what they can to maintain to the utmost of their power the position and to increase the profits and the status of this old Company. In regard to what has fallen from Mr. Lomas, a respected proprietor of the Company, I would say that when he spoke of provision having been made some years ago for the *employés* which he believed ought to be entirely sufficient to meet everything which was wanted in that respect, such provision affects the Commissioned Officers only, about 30 in number, and was in the nature of a contract or bargain with the offices. It was not a new matter, as a similar provision was embodied in the Deed Poll of 1871, and in previous Deed Polls. These officers at the present moment when they retire from the service after a long term of years—it may be 30 years, it may be 40 years, or it may be 50 years—are allowed one or two years—generally two years—of their full pay, and then they have an allowance at the pleasure

of the Company for six years of one half of what they received before. It must be considered as a portion of their emoluments, looking to the agreements they have entered into with the Company. In addition to these gentlemen we have upwards of 600 other *employés* for whom no such provision is made. I am glad to see that the fund we recommend is approved by the shareholders as a whole, and I have no doubt that, after this explanation, our friend Mr. Lomas will also feel the justice of our coming to ask you in this year of exceptional prosperity that you should put aside this sum of £10,000, which will be to these *employés* a very great boon. They will have satisfaction in feeling that valuable services will meet with reward, while they will know that if they do not give good and loyal service to the Company, they will be in no sense entitled to consideration in respect of allowance on retirement. I have always felt that it is a benefit to us, even in domestic affairs, that we should have consideration for those whether men or women, we may have in our employment. Should it not then be even more so as regards those who, isolated as they are, remaining away perhaps from the mother-country, or from those parts of Canada from which they have come in the first place, for 20 or 30 or more years without having the opportunity of going to see their friends. If they should do us such good yeoman service, is it not our duty to do what we can for them? (Applause.) Will they not rejoice also, and be delighted to do more and more in the interests of the Company, when they feel that they are not forgotten by those whom they serve, and whom they serve so loyally? Therefore, I feel that Mr. Lomas is now convinced that it will be a good thing both in the interests of the Company and for the *employés* that this provision should be made, and that he only required to know the exact circumstances of the case to ensure his approval. With the Commissioner, and everyone acting with him under the direction of the Governor and Committee, we have cause to be entirely satisfied. They have been loyal to us throughout. There have been several instances in which the *employés* of the Company have sacrificed their lives in the discharge of their duty, and surely such devotion deserves

that there should be some recognition of this on our part, and I am glad that this feeling has been so warmly expressed by honorable Proprietors to-day. (Applause.)

In reply to a question, the item of £400,214 7s. 5d. represents the remaining property of the Company not specified in the Company's accounts, or really the unsold lands. The sum of £122,534 10s. 4d. represents the buildings of the Company, the Sale Shops, etc.

With regard to Major Bigg's remarks as to the statement of the land sales not having been given last Christmas, it was not overlooked altogether, but at the moment, we thought that it might not be sufficiently interesting to the shareholders. We shall however see that it is given in future, as had been formerly done. (Hear, hear.)

I think I have now met all that has been said regarding the general business. Referring to the question as to the quantity of land, which may fall to the Company, I have already stated that up to the end of March last 3,757,511 acres have been allotted, and it has been estimated that it will ultimately amount to some 7,000,000 acres.

A SHAREHOLDER : Are the minerals sold with the land ?

The GOVERNOR : I should say with regard to the minerals that most of the Hudson's Bay Company's land is in the great fertile belt that stretches from the Lake of the Woods in the East to the Rocky Mountains in the West—some 1,100 or 1,200 miles—and from the international boundary, the boundary between the United States and Canada, from parallel 49 up to the Northern Saskatchewan, some 300 miles in width. It is not understood that there are many minerals in that area ; it is more an agricultural and a grazing district, in short, with very little exception it is one great grain field and grass country, throughout which, looking to the salubrity of the climate, and the fertility of the land, farmers can thrive and live happily. It is capable of producing far more wheat, and that of the best quality, than is required for consumption in the United Kingdom. Coal is abundant everywhere ; there is coal on much of the Company's

land, but as to the precious metals, we do not know of any being there. However, wherever gold or silver may be found we are under no obligation to part with them in selling the land.

The resolution for the adoption of the Report being put to the meeting was carried unanimously.

The GOVERNOR : I have now to move "That the Governor and Committee be, and they are hereby empowered to appropriate out of the profits of the Company for the year ending on the 31st of May, 1899, the sum of £10,000, and to invest the same in any manner they may think fit, and to apply the capital and income of such investments from time to time in any manner they may think fit, in or towards the formation or maintenance of a fund for the benefit of all or any of the *employés* of the Company, in any manner and upon any terms and conditions which the Governor and Committee may think fit." I have already spoken with regard to this, and I hardly think you will look upon it as necessary for me to say anything further than that we cordially recommend it.

Mr. LOMAS : After your able statement, I feel that the Board's recommendation is in the right direction. I am sure all those I represent here will think the same. (Applause.)

The GOVERNOR : I felt sure that the honourable gentleman only required to know the exact particulars of the case to ensure his approval.

The Earl of LICHFIELD : I beg to second the Resolution.

The Resolution was then put and carried unanimously.

The GOVERNOR : We have to thank you for your confidence. The next business is the re-election of the retiring Directors. These are Sir Sandford Fleming, Mr. Russell Stephenson and Mr. Thomas Skinner. It is unnecessary for me to say anything in recommendation of these gentlemen. I now propose their re-election.

The Earl of LICHFIELD : I beg to second that.

The Resolution was put and carried.

The GOVERNOR : The next business is the re-election of an Auditor. Mr. Thomas A. Welton is eligible and offers himself for re-election.

Mr. CLARKE : I propose that Mr. Thomas A. Welton the Auditor, be re-elected.

Mr. MATTHEWS : I beg to second that.

The motion was also agreed to.

The GOVERNOR : This concludes the business of the meeting.

Mr. NATHANIEL SPENS : I have much pleasure in proposing a vote of thanks to the Governor, and to the Members of the Committee, and think it is doubly due for this exceedingly successful year's working. (Applause.)

A SHAREHOLDER : I have much pleasure in seconding that.

The motion was then put and carried by acclamation.

The GOVERNOR : On the part of my colleagues and myself I. thank you very cordially indeed for your expression of confidence in us. You may feel well assured that, if we have endeavoured to do our duty in the past, we shall do it equally in the future. (Applause.)

The proceedings then terminated.

